

2012

2013

2014

2015

2016



Annual Report 2015/16



Auditor General Independent Auditor's Report
Financial Statements
Key Performance Indicators

Auditor General Independent Auditor's Report



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

WESTERN AUSTRALIAN PLANNING COMMISSION

Report on the Financial Statements

I have audited the accounts and financial statements of the Western Australian Planning Commission.

The financial statements comprise the Statement of Financial Position as at 30 June 2016, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Western Australian Planning Commission at 30 June 2016 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Commission's Responsibility for the Financial Statements

The Commission is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and for such internal control as the Commission determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Audit of the Financial Statements

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Commission, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Auditor General Independent Auditor's Report

Report on Controls

I have audited the controls exercised by the Western Australian Planning Commission during the year ended 30 June 2016.

Controls exercised by the Western Australian Planning Commission are those policies and procedures established by the Commission to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

Opinion

In my opinion, in all material respects, the controls exercised by the Western Australian Planning Commission are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2016.

Commission's Responsibility for Controls

The Commission is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

Auditor's Responsibility for the Audit of Controls

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Western Australian Planning Commission based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Commission complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Western Australian Planning Commission for the year ended 30 June 2016.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

Opinion

In my opinion, in all material respects, the key performance indicators of the Western Australian Planning Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2016.

Commission's Responsibility for the Key Performance Indicators

The Commission is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the Commission determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor General Independent Auditor's Report

Auditor's Responsibility for the Audit of Key Performance Indicators

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Commission's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting the above audits, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Western Australian Planning Commission for the year ended 30 June 2016 included on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. This audit does not provide assurance on the integrity of the Commission's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



GLEN CLARKE
DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia

16 September 2016

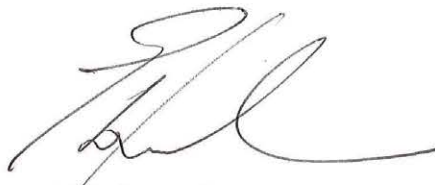
Certification of Financial Statements

The accompanying financial statements of the Western Australian Planning Commission have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2016 and the financial position as at 30 June 2016.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



John Deery
Chief Financial Officer
Western Australian Planning
Commission
14 September 2016



Eric Lumsden
Chairman
Western Australian Planning
Commission
14 September 2016

Financial statements

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

COST OF SERVICES	Note	2016	2015
		\$000	\$000
Expenses			
Supplies and services	6	36,273	43,231
Depreciation expense	7	3,354	3,247
Bad and doubtful debts	8	26	51
Committee/board fees	9	487	382
Grants and subsidies	10	8,566	11,657
Revaluation decrement	11	44,317	101,324
Compensation payment	12	2,626	1,456
Other expenses	13	35,264	6,120
Total cost of services		130,913	167,468
Income			
Revenue			
Rental revenue		6,337	6,404
User charges and fees	14	12,818	14,511
Interest revenue	15	6,453	5,735
Other revenue	16	13,303	2,641
Total Revenue		38,911	29,291
Gains			
Gain on disposal of non-current assets	17	13,292	16,549
Total Gains		13,292	16,549
Total income other than income from State Government		52,203	45,840
NET COST OF SERVICES		78,710	121,628
Income from State Government			
State grants and contributions	18	-	100
Service appropriation		107,030	98,550
Services received free of charge		304	436
Total income from State Government		107,334	99,086
SURPLUS/(DEFICIT) FOR THE PERIOD		28,624	(22,542)
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	33	2,420	1,961
Gains/losses recognised directly in equity			
Total other comprehensive income		2,420	1,961
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		31,044	(20,581)

See also Note 46 'Schedule of Income and Expenses by Service'.

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Financial statements

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	2016 \$000	2015 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	19	300,498	271,989
Restricted cash and cash equivalents	20	834	4,419
Receivables	21	4,885	5,498
Inventories	22	2	7
Other current assets	23	47,855	24,961
Non-current assets classified as held for sale	24	7,105	2,766
Total Current Assets		361,179	309,640
Non-Current Assets			
Amounts receivable for services	25	4,739	4,359
Property, plant and equipment	26	507,508	532,171
Infrastructure	27	7,332	8,653
Intangible assets	29	23,821	17,940
Total Non-Current Assets		543,400	563,123
TOTAL ASSETS		904,579	872,763
LIABILITIES			
Current Liabilities			
Payables	31	4,928	16,050
Other current liabilities	32	18,196	15,945
Total Current Liabilities		23,124	31,995
TOTAL LIABILITIES		23,124	31,995
NET ASSETS		881,455	840,768
EQUITY			
Contributed equity	33	9,643	-
Reserves		38,306	35,886
Accumulated surplus/(deficit)		833,506	804,882
TOTAL EQUITY		881,455	840,768

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Financial statements

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Note	Contributed Equity \$000	Reserves \$000	Accumulated surplus/ (deficit) \$000	Total equity \$000
Balance at 1 July 2014	33	3,997	33,925	833,798	871,720
Surplus/(deficit)		-	-	(22,542)	(22,542)
Other comprehensive income		-	1,961	-	1,961
Total comprehensive income for the period		-	1,961	(22,542)	(20,581)
Transactions with owners in their capacity as owners:					
Capital appropriations		5,400	-	-	5,400
Distributions to owners		(15,771)	-	-	(15,771)
Total		(10,371)	-	-	(10,371)
		(6,374)	35,886	811,256	840,768
Transfer debit balance to Accumulated Surplus		6,374	-	(6,374)	-
Balance at 30 June 2015		-	35,886	804,882	840,768
Balance at 1 July 2015		-	35,886	804,882	840,768
Surplus/(deficit)		-	-	28,624	28,624
Other comprehensive income		-	2,420	-	2,420
Total comprehensive income for the period		-	2,420	28,624	31,044
Transactions with owners in their capacity as owners:					
Capital appropriations		18,290	-	-	18,290
Distributions to owners		(8,647)	-	-	(8,647)
Total		9,643	-	-	9,643
Balance at 30 June 2016		9,643	38,306	833,506	881,455

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Financial statements

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$000	2015 \$000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		106,650	98,170
Capital contributions		18,290	5,400
Equity repayments		-	(540)
Net cash provided by State Government		124,940	103,030
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Supplies and services		(44,046)	(38,790)
Committee/board fees		-	(226)
Grants and subsidies		(7,617)	(994)
GST payments on purchases		(6,158)	(3,689)
GST payment to taxation authority		(124)	(294)
Other payments		(3,631)	(1,569)
Receipts			
State and other bodies grants and contributions		-	100
Rental received		6,270	6,290
User charges and fees		12,894	14,484
Interest received		6,137	5,573
GST receipts on sales		2,854	545
GST receipts from taxation authority		3,839	2,158
Other receipts		5,389	1,328
Net cash provided by/(used in) operating activities	34	(24,193)	(15,084)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non-current assets		31,110	16,255
Purchase of non-current assets		(106,933)	(40,116)
Net cash provided by/(used in) investing activities		(75,823)	(23,861)
Net increase/(decrease) in cash and cash equivalents		24,924	64,085
Cash and cash equivalents at the beginning of period		276,408	212,323
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	34	301,332	276,408

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. Australian Accounting Standards

General

The financial statements of the Western Australian Planning Commission (WAPC) for the year ended 30 June 2016 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' refers to Standards and Interpretations issued by the Australian Accounting Standard Board (AASB).

The WAPC has adopted any applicable new and revised Australian Accounting Standards from their operative dates.

Early adoption of standards

The WAPC cannot early adopt an Australian Accounting Standard unless specifically permitted by Treasurer's Instruction (TI) 1101 *Application of Australian Accounting Standards and Other Pronouncements*. Partial exemption permitting early adoption of AASB 2015-7 *Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities* has been granted. Aside from AASB 2015-7, there has been no early adoption of any other Australian Accounting Standards that have been issued or amended (but not operative) by the WAPC for the annual reporting period ended 30 June 2016.

2. Summary of significant accounting policies

(a) General Statement

The WAPC is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The *Financial Management Act* and the Treasurer's Instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

(b) Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for land, buildings and infrastructure which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000).

Note 3 'Judgements made by management in applying accounting policies' discloses judgements that have been made in the process of applying the WAPC's accounting policies resulting in the most significant effect on amounts recognised in the financial statements.

Financial statements

Note 4 'Key sources of estimation uncertainty' discloses key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(c) Reporting Entity

The reporting entity comprises the Western Australian Planning Commission.

(d) Contributed Equity

AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to Contributed Equity.

The transfers of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

(e) Income

Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Sale of land and other assets

Revenue is recognised from the sale of land and disposal of other assets when the significant risks and rewards of ownership transfer to the purchaser and proceeds can be measured reliably.

Provision of services

Revenue is recognised by reference to the stage of completion of the transaction.

Subdivision and strata title application fees

Revenue is recognised on receipt of application fees and the services are contracted to Department of Planning for determination.

Rental

Revenue is recognised on a straight line basis in accordance to leasing terms. Refer also Note 2(o) 'Rent'.

Interest

Revenue is recognised as the interest accrues.

Service Appropriations

Service Appropriations are recognised as revenues at fair value in the period in which the WAPC gains control of the appropriated funds. The WAPC gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

Financial statements

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the WAPC obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the end of the reporting period, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the notes.

Gains

Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

(f) Property, Plant and Equipment and Infrastructure

Capitalisation/expensing of assets

Items of property, plant and equipment and infrastructure costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment and infrastructure costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

Property, plant and equipment and infrastructure are initially recognised at cost.

For items of property, plant and equipment and infrastructure acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

Subsequent measurement

Subsequent to initial recognition as an asset, the revaluation model is used for the measurement of land, buildings and infrastructure and historical cost for all other property, plant and equipment. Land, buildings and infrastructure are carried at fair value less accumulated depreciation (buildings and infrastructure only) and accumulated impairment losses. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Where market-based evidence is available, the fair value of land and buildings is determined on the basis of current market buying values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

In the absence of the market-based evidence, fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use buildings is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Where the fair value of buildings is determined on using the depreciated replacement cost basis, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount. Fair value for restricted use land is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land).

Financial statements

Land and buildings are independently valued annually by the Western Australian Land Information Authority (Valuation Services) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

Fair value of the regional open space buildings and infrastructure has been determined by reference to the depreciated replacement cost (existing use basis) as the assets are specialised and no market-based evidence of value is available. Independent valuations are obtained every 3 years.

When regional open space buildings and infrastructure are revalued, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

The most significant assumptions and judgements in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated economic life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

Refer to Note 26 'Property, Plant and Equipment' and Note 27 'Infrastructure' for further information on revaluations.

Derecognition

Upon disposal or derecognition of an item of property, plant and equipment and infrastructure, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets as described in Note 26 'Property, Plant and Equipment' and Note 27 'Infrastructure'.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Buildings	10 - 40 years
Infrastructure	10 - 40 years
Computer equipment	2.5 years
Other equipment	5 - 20 years
Motor vehicles	5 - 10 years

(g) Intangible Assets

Capitalisation/expensing of assets

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful lives. Cost incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Financial statements

Caveat Interest

When a property is reserved for possible future acquisition, the owner may apply under certain circumstances through the provisions of Part 11 of the Planning and Development Act 2005, to sell the property at a lesser price than might reasonably be expected had there been no reservation. If approved, compensation representing the difference is paid to the vendor.

At the time of a compensation payment, the WAPC's equity in the property is established on the ratio of compensation paid, as a proportion of the unaffected value of the property. If the WAPC resumes the property at a later date, the purchase consideration is calculated by deducting the WAPC's equity as a percentage of the total valuation at the time of acquisition.

Caveat interest in excess of \$1 are reported as intangible assets. They are recognised at cost, considered to have an indefinite useful life, are not amortised but are instead assessed annually for impairment.

(h) Impairment of Assets

Property, plant and equipment and infrastructure are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As the WAPC is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, or where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at the end of each reporting period.

Refer to Note 30 'Impairment of Assets' for the outcome of impairment reviews and testing.

(i) Non-current Assets (or Disposal Groups) Classified as Held for Sale

Non-current assets (or disposal groups) held for sale are recognised at the lower of carrying amount and fair value less costs to sell and are presented separately from other assets in the Statement of Financial Position. Assets classified as held for sale are not depreciated or amortised.

(j) Leases

Finance lease rights and obligations are initially recognised, at the commencement of the lease term, as assets and liabilities equal in amount to the fair value of the leased item or, if lower, the present value of the minimum lease payments, determined at the inception of the lease. The assets are disclosed as plant, equipment and vehicles under lease, and are depreciated over the period during which the WAPC is expected to benefit from their use. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability, according to the interest rate implicit in the lease.

The WAPC has entered into a number of leases to rent land and buildings where the WAPC, as lessor, retains all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases. Lease revenue is recognised in the Statement of Comprehensive Income on a straight line basis over the lease term.

Financial statements

(k) Financial Instruments

In addition to cash, the WAPC has two categories of financial instrument:

- Loans and receivables; and
- Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

Financial Assets

- Cash and cash equivalents
- Restricted cash and cash equivalents
- Receivables
- Amounts receivable for services

Financial Liabilities

- Payables
- Finance lease liabilities
- Borrowings

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

(l) Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

(m) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned by the method most appropriate to each particular class of inventory, with the majority being valued on a first-in first-out basis. See Note 22 'Inventories'.

(n) Amounts Receivable for Services (Holding Account)

The WAPC receives income from the State Government partly in cash and partly as an asset (holding account receivable). The holding account receivable balance, resulting from service appropriation funding, is accessible on the emergence of the cash funding requirement to cover asset replacement.

(o) Rent

Rental revenue is received on properties leased by the WAPC prior to the properties being used for their acquired purpose under the Metropolitan Region Scheme, the Peel Region Scheme and the Greater Bunbury Region Scheme.

Regular rental valuations are commissioned to ensure a competitive rental is obtained for each leased property. Rental revenue receivables are recognised at the amounts receivable, as they are due for settlement no more than 30 days from the date of recognition.

Financial statements

(p) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the WAPC will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

(q) Payables

Payables are recognised when the WAPC becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days.

(r) Provisions

Provisions are liabilities of uncertain timing and amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period.

(i) Provisions - Employee Benefits

Annual leave and long service leave

Annual and long service leave that is expected to be settled wholly within 12 months after the end of the reporting period is considered to be a 'short-term employee benefits'. The annual and long service leave liability is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

Annual and long service leave that is not expected to be settled wholly within 12 months after the end of the reporting period is considered to be 'other long-term employee benefits'. The annual and long service leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service.

The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the WAPC does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Superannuation

The Government Employees Superannuation Board (GESB) and other fund providers administers public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.

Financial statements

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). From 30 March 2012, existing members of the WSS or GESBS and new employees became able to choose their preferred superannuation fund. The WAPC makes concurrent contributions to GESB and other funds on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish the WAPC's liability for superannuation charges in respect of employees who are not members of the Pension Scheme and GSS.

The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the WAPC to GESB extinguishes the agency's obligations to the related superannuation liability.

The WAPC has no liabilities under the Pension Scheme or the GSS. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the WAPC to the GESB.

The GESB makes all benefit payments in respect of the Pension Scheme and the GSS, and is recouped from the Treasurer for the employer's share.

See also Note 2(s) 'Superannuation expense'.

(ii) Provisions - Other

Employment on-costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the WAPC's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

(s) Superannuation Expense

The superannuation expense in the Statement of Comprehensive Income comprises of employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBS, and other superannuation fund.

(t) Assets and Services Received Free of Charge or for Nominal Cost

Assets or services received free of charge or for nominal cost, that the WAPC would otherwise purchase if not donated, are recognised as income at the fair value of the assets or services where they can be reliably measured. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

(u) Comparative Figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

Financial statements

3. Judgements made by management in applying accounting policies

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The WAPC evaluates these judgements regularly.

Operating lease commitments

The WAPC has entered into a number of leases to rent land and buildings where the WAPC, as lessor, retains all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

4. Key sources of estimation uncertainty

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimating economic service potential of rental buildings

The WAPC has depreciated its rental buildings based on the estimated economic service potential of each building to the WAPC. The service potential of the buildings cannot always be reliably estimated due to timing of land disposals not always being under the control of the WAPC. For example, changes to the Metropolitan Region Scheme and the capital works programs of other agencies and local governments.

5. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The WAPC has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2015 that impacted on the WAPC.

AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments.

Part C of this Standard defers the application of AASB 9 to 1 January 2017. The application date of AASB 9 was subsequently deferred to 1 January 2018 by AASB 2014-1. The WAPC has not yet determined the application or potential impact of AASB 9.

AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) - Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB (2009 & 2010)]

This Standard makes amendments to AASB 9 *Financial Instruments* (December 2009) and AASB 9 *Financial Instruments* (December 2010), arising from the issuance of AASB 9 *Financial Instruments* in December 2014. The WAPC has not yet determined the application or the potential impact of AASB 9.

AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality

This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn. There is no financial impact.

Future impact of Australian Accounting Standards not yet operative

The WAPC cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements* or by an exemption from TI 1101. By virtue of a limited exemption, the WAPC has early adopted AASB 2015-7 *Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities*. Where applicable, the WAPC plans to apply the following Australian Accounting Standards from their application date.

Financial statements

	Operative for reporting periods beginning on/after
<p><i>AASB 9 Financial Instruments</i></p> <p>This Standard supersedes <i>AASB 139 Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The mandatory application date of this Standard is currently 1 January 2018 after being amended by <i>AASB 2012-6</i>, <i>AASB 2013-9</i> and <i>AASB 2014-1 Amendments to Australian Accounting Standards</i>. The WAPC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
<p><i>AASB 15 Revenue from Contracts with Customers</i></p> <p>This Standard establishes the principles that the WAPC shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cashflows arising from a contract with a customer. The WAPC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
<p><i>AASB 16 Leases</i></p> <p>This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The WAPC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2019
<p><i>AASB 1057 Application of Australian Accounting Standards</i></p> <p>This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is not financial impact.</p>	1 Jan 2016
<p><i>AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing <i>AASB 9</i> in December 2010.</p> <p>The mandatory application date of this Standard has been amended by <i>AASB 2012-6</i> and <i>AASB 2014-1</i> to 1 January 2018. The WAPC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
<p><i>AASB 2014-1 Amendments to Australian Accounting Standards</i></p> <p>Part E of this Standard makes amendments to <i>AASB 9</i> and consequential amendments to other Standards. It has not yet been assessed by the WAPC to determine the application or potential impact of the Standard.</p>	1 Jan 2018
<p><i>AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & 11]</i></p> <p>The WAPC establishes Joint Operations in pursuit of its objectives and does not routinely acquire interest in Joint Operations. Therefore, there is no financial impact on application of the Standard.</p>	1 Jan 2016

Financial statements

	Operative for reporting periods beginning on/after
<p><i>AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]</i></p> <p>The adoption of this Standard has no financial impact for the WAPC as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.</p>	1 Jan 2016
<p><i>AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of <i>AASB 15</i>. The mandatory application date of this Standard has been amended by <i>AASB 2015-8</i> to 1 January 2018. The WAPC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
<p><i>AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of <i>AASB 9 (December 2014)</i>. The WAPC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
<p><i>AASB 2014-9 Amendments to Australian Accounting Standards - Equity Method in Separate Financial Statements [AASB 1, 127 & 128]</i></p> <p>This Standard amends <i>AASB 127</i>, and consequentially amends <i>AASB 1</i> and <i>AASB 128</i>, to allow entities to use the equity method of accounting for investment in subsidiaries, joint ventures and associates in their separate financial systems. The WAPC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2016
<p><i>AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & 128]</i></p> <p>This Standard amends <i>AASB 10</i> and <i>AASB 128</i> to address an inconsistency between the requirements in <i>AASB 10</i> and those in <i>AASB 128 (August 2011)</i>, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The WAPC has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2016
<p><i>AASB 2015-1 Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140]</i></p> <p>These amendments arise from the issuance of International Financial Reporting Standard <i>Annual Improvements to IFRSs 2012-2014 Cycle</i> in September 2014, and editorial corrections. The WAPC has determined that the application of the Standard has no financial impact.</p>	1 Jan 2016

Financial statements

	Operative for reporting periods beginning on/after
<p><i>AASB 2015-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]</i></p> <p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.</p>	1 Jan 2016
<p><i>AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]</i></p> <p>The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. There is no financial impact.</p>	1 Jul 2016
<p><i>AASB 2015-8 Amendments to Australian Accounting Standards - Effective Date of AASB 15</i></p> <p>This Standard amends the mandatory effective date (application date) of AASB 15 Revenue from Contracts with Customer so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. The WAPC has not yet determined the application of the potential impact of AASB 15.</p>	1 Jan 2017
<p><i>AASB 2015-10 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 & 128</i></p> <p>This Standard defers the mandatory effective (application date) of amendments to AASB 10 & 128 that were originally made in AASB 2014-10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016. The WAPC has not yet determined the application or the potential impact of AASB 2014-10.</p>	1 Jan 2016
<p><i>AASB 2016-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107</i></p> <p>This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.</p>	1 Jan 2017
<p><i>AASB 2016-3 Amendments to Australian Accounting Standards - Clarifications to AASB 15</i></p> <p>This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The WAPC has not yet determined the application or the potential impact.</p>	1 Jan 2018

Financial statements

**Operative for
reporting
periods
beginning
on/after**

AASB 2016-4 Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities

1 Jan 2017

This Standard clarifies that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*. The WAPC has not yet determined the application or the potential impact.

Financial statements

	2016	2015
	\$000	\$000
6. Supplies and Services		
Consultants and contractors	6,118	6,211
Services provided by Department of Planning - labour	8,260	8,204
Services provided by Department of Planning - other	15,972	17,209
Repairs and maintenance	4,409	3,607
Cleaning / gardening	150	168
Lease / rental / hire charges	241	229
Advertising and promotion	306	202
Printing	72	92
Utilities	246	221
Communication	81	73
Consumables	316	400
Unallocated service delivery agreement expenses	-	6,539
Other	102	76
	36,273	43,231
7. Depreciation		
Regional open space buildings	431	463
Rental buildings	2,238	2,251
Infrastructure	241	257
Equipment	404	241
Vehicles	40	35
	3,354	3,247
8. Bad and Doubtful Debt Expense		
Doubtful debts expense	26	51
	26	51
9. Committee / Board Fees		
Travel	90	42
Sitting fees	362	309
Superannuation	31	29
Other	4	2
	487	382
10. Grants and Subsidies		
General government agencies	7,641	10,794
Non government agencies	641	348
Local government	274	515
Other	10	-
	8,566	11,657
11. Revaluation Decrement		
Land	44,317	101,324
	44,317	101,324
12. Compensation Payment		
Interest compensation and contribution of legal costs on acquisition of property	2,626	1,456
	2,626	1,456

Financial statements

	2016	2015
	\$000	\$000
13. Other Expenses		
Licence / maintenance fees	69	129
Minor equipment purchases	83	46
Other staff costs	107	80
Rates and taxes	896	755
Insurance	295	273
Impairment losses for land	33,406	4,187
Other	407	649
	35,264	6,120
14. User Charges and Fees		
Easements	5	-
Subdivision and strata title application fees	10,082	11,493
Endorsement fees	41	37
Plan and diagram fees	1,805	1,926
Land reservation certificates	858	1,023
Development application fees	27	32
	12,818	14,511
15. Interest Revenue		
Interest earned on Commonwealth Bank account	6,453	5,735
	6,453	5,735
16. Other Revenue		
Sale of goods	-	1
Whiteman Park revenue ^(a)	958	866
Recoup of expenditure	4,365	312
Land acquired for nil cost and capitalised at fair value	1,386	1,441
Unallocated service delivery agreement revenue	6,539	-
Other	55	21
	13,303	2,641
(a) Excludes rental revenue on leases held at Whiteman Park which is included within rental revenue on Statement of Comprehensive Income.		
17. Net Gain/(Loss) on Disposal of Non-Current Assets		
<u>Proceeds from disposal of non-current assets</u>		
Land	34,287	25,596
Rental Buildings	50	675
Other Assets	27	-
<u>Selling costs of disposal of non-current assets</u>		
Land	(37)	(59)
Rental Buildings	-	(9)
<u>Carrying amount of disposal of non-current assets</u>		
Land	(20,422)	(6,938)
Rental Buildings	(587)	(2,670)
Other Assets	(26)	(46)
Net gain/(loss)	13,292	16,549

Financial statements

	2016	2015
	\$000	\$000
18. Income from State Government		
State grants and contributions		
- General government agencies	-	100
	<hr/>	<hr/>
	-	100
Service appropriation received during the financial period ^(a) :		
- Metropolitan Region Improvement Tax	97,897	92,769
- Other	9,133	5,781
	<hr/>	<hr/>
	107,030	98,550
Services received free of charge from other state government agencies during the financial period: ^(b)		
Determined on the basis of the following estimates provided by agencies:		
State Solicitor's Office	297	430
Department of Water	7	6
	<hr/>	<hr/>
	304	436
	<hr/>	<hr/>
	107,334	99,086
	<hr/> <hr/>	<hr/> <hr/>
(a) Service appropriations fund the net cost of services delivered. Appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the budgeted depreciation expense for the year and any agreed increase in leave liabilities during the financial year.		
(b) Assets or services received free of charge or for nominal cost are recognised as revenue at the fair value of the assets and/or the fair value of those services that can be reliably measured and which would have been purchased if they were not donated. Contributions of assets or services in the nature of contributions by owners are recognised direct to equity.		
19. Cash and Cash Equivalents		
<u>Current</u>		
Cash held at the Commonwealth Bank:		
- Metropolitan Region Improvement Fund	292,777	261,891
- Western Australian Planning Commission Account	7,719	10,095
Cash advance	2	2
	<hr/>	<hr/>
	300,498	271,989
	<hr/> <hr/>	<hr/> <hr/>
20. Restricted Cash and Cash Equivalents		
<u>Current</u>		
- Metropolitan Region Improvement Fund ^(a)	275	294
- Western Australian Planning Commission Account ^(b)	559	4,126
	<hr/>	<hr/>
	834	4,419
	<hr/> <hr/>	<hr/> <hr/>
(a) Cash held in the MRIF is to be used for various projects and studies.		
(b) Cash held in the WAPC Account is to be used for Regional Land Acquisitions, Coastal Zone Management and various other studies.		
21. Receivables		
<u>Current</u>		
Receivables	1,381	462
Allowance for impairment of receivables	(142)	(116)
GST receivable	1,718	2,151
Accrued interest	1,827	1,510
Other accrued income	101	1,491
	<hr/>	<hr/>
	4,885	5,498
	<hr/> <hr/>	<hr/> <hr/>

Financial statements

	2016 \$000	2015 \$000
Reconciliation of changes in the allowance for impairment of receivables:		
Balance at start of period	116	65
Doubtful debts expense	26	51
Balance at end of period	142	116
22. Inventories		
<u>Current</u>		
Inventories held for resale:		
- Publications at cost	2	7
	2	7
23. Other Assets		
<u>Current</u>		
Settlement payments	47,599	24,685
Tenant security bonds	256	276
	47,855	24,961
24. Non-current assets classified as held for sale		
<u>Opening balance</u>		
Land	2,766	-
<u>Assets reclassified as held for sale</u>		
Land	4,339	2,766
<u>Total assets classified as held for sale</u>		
Land	7,105	2,766
<u>Less assets sold</u>		
Land	-	-
<u>Closing balance</u>		
Land	7,105	2,766
25. Amounts Receivable for Services		
Non-current	4,739	4,359
	4,739	4,359

Represents the non-cash component of service appropriations. See Note 2(n) 'Amounts Receivable For Services (Holding Account)'. It is restricted in that it can only be used for asset replacement.

Financial statements

	2016 \$000	2015 \$000
26. Property, Plant and Equipment		
<u>Land</u>		
This represents the total fair value of properties owned by the WAPC. Properties are either negotiated purchases or are compulsorily acquired under the provisions of the <i>Planning and Development Act 2005</i> or the <i>Land Administration Act 1997</i> .		
Metropolitan Region Scheme Purchases^(a)		
Other regional roads - at fair value	10,421	10,924
Primary regional roads - at fair value	30,692	33,088
Parks and recreation areas - at fair value	313,997	322,436
Other land purchases - at fair value	19,511	18,007
Land surplus to requirements - at fair value	78,325	95,085
	452,946	479,541
Peel and Greater Bunbury Region Scheme Purchases^(a)		
Other regional roads - at fair value	45	51
Primary regional roads - at fair value	7,616	7,357
Parks and recreation areas - at fair value	12,265	13,226
Other land purchases - at fair value	1,976	1,614
Land surplus to requirements - at fair value	227	-
	22,129	22,248
Total Land	475,075	501,789
<u>Buildings</u>		
<u>Rental buildings</u>		
At fair value ^(a)	14,197	14,811
Accumulated depreciation	-	-
	14,197	14,811
<u>Regional open space buildings</u>		
At fair value ^(b)	15,119	15,542
Accumulated depreciation	-	(850)
	15,119	14,692
Total Buildings	29,316	29,503
<u>Plant, Equipment and Vehicles</u>		
<u>Computer Equipment</u>		
At cost	160	211
Accumulated depreciation	(160)	(211)
	-	-
<u>Other Equipment</u>		
At cost	4,983	2,618
Accumulated depreciation	(2,191)	(1,857)
	2,792	761
<u>Vehicles</u>		
At cost	549	335
Accumulated depreciation	(224)	(217)
	325	118
Total Plant, Equipment and Vehicles	3,117	879
Total Property, Plant and Equipment	507,508	532,171

Financial statements

2016	2015
\$000	\$000

- (a) Land and rental buildings were revalued as at 1 July 2015 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2016 and recognised at 30 June 2016. In undertaking the revaluation, fair value was determined by reference to market value for land: \$82,337,000 (2015: \$109,084,000) and rental buildings: \$744,000 (2015: \$1,051,000). For the remaining balance, fair value of rental buildings was determined on the basis of depreciated replacement cost and fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).
- (b) Regional open space buildings were independently revalued by Independent Valuers of Western Australia as at 21 June 2016. The valuations were recognised at 30 June 2016. Fair value was determined on the basis of depreciated replacement cost where buildings are held for existing and continued use.

Information on fair value measurements is provided in Note 28.

Reconciliations - (part of Note 26)

Reconciliations of the carrying amounts of land and equity in land, buildings, equipment and motor vehicles at the beginning and end of the reporting period are set out in the table below.

	Land \$000	Rental Buildings \$000	Regional Open Space Buildings \$000	Equipment \$000	Motor Vehicles \$000	Total \$000
2016						
Carrying amount at start of year	501,789	14,811	14,692	761	118	532,171
Additions	84,417	990	12	36	247	85,702
Revaluation increments	-	1,221	846	-	-	2,067
Revaluation decrements	(44,317)	-	-	-	-	(44,317)
Classified as held for sale	(4,339)	-	-	-	-	(4,339)
Disposals	(20,422)	(218)	-	(14)	-	(20,654)
Transfers	(8,647)	-	-	-	-	(8,647)
Transferred to / from works in progress	-	-	-	2,413	-	2,413
Impairment losses ^(a)	(33,406)	-	-	-	-	(33,406)
Other - Demolished	-	(369)	-	-	-	(369)
Depreciation	-	(2,238)	(431)	(404)	(40)	(3,113)
Carrying amount at end of year	475,075	14,197	15,119	2,792	325	507,508
2015						
Carrying amount at start of year	604,414	15,353	16,723	843	153	637,486
Additions	27,807	840	11	159	-	28,817
Revaluation increments	-	1,961	-	-	-	1,961
Revaluation decrements	(101,324)	-	-	-	-	(101,324)
Classified as held for sale	(2,766)	-	-	-	-	(2,766)
Disposals	(6,928)	(528)	-	-	-	(7,456)
Transfers	(15,227)	-	-	-	-	(15,227)
Transferred to / from works in progress	-	-	-	-	-	-
Impairment losses ^(a)	(4,187)	-	-	-	-	(4,187)
Other - Demolished	-	(564)	(1,579)	-	-	(2,143)
Depreciation	-	(2,251)	(463)	(241)	(35)	(2,990)
Carrying amount at end of year	501,789	14,811	14,692	761	118	532,171

(a) Recognised in the Statement of Comprehensive Income. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income

Information on fair value measurements is provided in Note 28.

Financial statements

	2016	2015
	\$000	\$000
27. Infrastructure		
At fair value ^(a)	6,952	6,660
Accumulated depreciation	-	(500)
	6,952	6,160
<u>Work in Progress</u>		
Construction costs	380	2,493
	7,332	8,653
Infrastructure reconciliation		
Carrying amount at start of period	6,160	6,330
Additions	353	271
Revaluation increments	353	-
Transferred to / from works in progress	338	-
Impairment losses ^(b)	-	(138)
Other - Demolished	(11)	(46)
Depreciation	(241)	(257)
Carrying amount at end of period	6,952	6,160
Work in Progress reconciliation		
Carrying amount at start of period	2,493	968
Additions	655	1,543
Transferred to / from works in progress	(2,752)	-
Expensed	(16)	(18)
Carrying amount at end of period	380	2,493

(a) Infrastructure assets were independently revalued by Independent Valuers of Western Australia as at 21 June 2016. The valuations were recognised at 30 June 2016. Fair value was determined on the basis of depreciated replacement cost where infrastructure assets are held for existing and continued use.

(b) Recognised in the Statement of Comprehensive Income. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income

Information on fair value measurements is provided in Note 28.

Financial statements

28. Fair Value Measurements

Assets measured at fair value	Level 1	Level 2	Level 3	Fair value at end of period
2016	\$000	\$000	\$000	\$000
Land (Note 26)	-	82,337	392,738	475,075
Regional open space buildings (Note 26)	-	-	15,119	15,119
Rental buildings (Note 26)	-	744	13,453	14,197
Infrastructure (Note 27)	-	-	6,952	6,952
	-	83,081	428,262	511,343

Assets measured at fair value	Level 1	Level 2	Level 3	Fair value at end of period
2015	\$000	\$000	\$000	\$000
Land (Note 26)	-	109,084	392,705	501,789
Regional open space buildings (Note 26)	-	-	14,692	14,692
Rental buildings (Note 26)	-	1,051	13,760	14,811
Infrastructure (Note 27)	-	-	6,160	6,160
	-	110,136	427,316	537,452

The regional open space buildings and infrastructure assets are revalued every 3 years. The revaluation was performed on 21 June 2016.

Valuation techniques to derive Level 2 fair values

Level 2 fair values of Land and Buildings are derived using the market approach. Market evidence of sales prices of comparable land and buildings in close proximity is used to determine price per square metre.

Fair value measurements using significant unobservable inputs (Level 3)

2016	Land	Regional Open Space Buildings	Rental Buildings	Infrastructure
	\$000	\$000	\$000	\$000
Fair Value at start of period	392,705	14,692	13,760	6,160
Additions	46,410	12	890	692
Revaluation increments/(decrements) recognised in Profit & Loss	(47,208)	-	-	-
Revaluation increments/(decrements) recognised in Other Comprehensive Income	-	846	1,138	353
Transfers (from/(to) Level 2)	10,686	-	415	-
Transfers from/(to) non-current assets classified as held for sale	(29)	-	-	-
Disposals	(1,332)	-	(218)	-
Transfers	(8,494)	-	-	-
Others - demolished	-	-	(346)	(11)
Depreciation Expense	-	(431)	(2,187)	(241)
Fair Value at end of period	392,738	15,119	13,453	6,952

Total gains or losses for the period included in profit or loss, under 'Other Gains'

	-	-	-	-
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Financial statements

2015	Land \$000	Regional Open Space Buildings \$000	Rental Buildings \$000	Infrastructure \$000
Fair Value at start of period	397,304	16,723	10,765	6,330
Additions	23,156	11	385	271
Revaluation increments/(decrements) recognised in Profit & Loss	(112,083)	-	-	-
Revaluation increments/(decrements) recognised in Other Comprehensive Income	-	-	1,967	-
Transfers (from/(to) Level 2)	103,581	-	3,393	-
Transfers from/(to) non-current assets classified as held for sale	(2,224)	-	-	-
Disposals	(1,802)	-	-	(138)
Transfers	(15,227)	-	-	-
Others - demolished	-	(1,579)	(563)	(46)
Depreciation Expense	-	(463)	(2,187)	(257)
Fair Value at end of period	392,705	14,692	13,760	6,160
Total gains or losses for the period included in profit or loss, under 'Other Gains'	-	-	-	-

Valuation processes

There were no changes in valuation techniques during the period.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited to assets newly classified as non-current assets held for sale as Treasurer's instructions require valuations of land, buildings and infrastructure to be categorised within Level 3 where the valuations will utilise significant Level 3 inputs on a recurring basis.

Fair value for existing use of regional open space buildings and infrastructure assets are determined by reference to the highest and best use, considering the most probable use that is physically, appropriately justified, legally permissible, financially feasible and which results in the highest value of the property being valued.

Fair value for restricted use land is based on comparison with market evidence for land with low level utility (high restricted use land). The relevant comparators of land with low level utility is selected by the Western Australian Land Information Authority (Valuation Services) and represents the application of a significant Level 3 input in this valuation methodology. The fair value measurement is sensitive to values of comparator land, with higher values of comparator land correlating with higher estimated fair values of land.

Basis of Valuation

In the absence of market-based evidence, due to the specialised nature of some non financial assets, these assets are valued at Level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on their use and disposal when they are not determined to be surplus to requirements. These restrictions are imposed by virtue of the assets being held to deliver a specific community service.

Financial statements

Information about significant unobservable inputs (Level 3) in fair value measurements

Description	Fair value 2016 \$000	Fair value 2015 \$000	Valuation techniques	Unobservable inputs
Land	392,738	392,705	Market approach	Selection of land with similar approximate utility
Rental buildings	13,453	13,760	Depreciated Replacement Cost	Consumed economic benefit / obsolescence of asset
Regional open space buildings	15,119	14,692	Depreciated Replacement Cost	Historical cost per square metre
Infrastructure	6,952	6,160	Depreciated Replacement Cost	Historical cost per square metre

Reconciliations of the opening and closing balances is provided in Note 26 to 27.

29. Intangible Assets

Caveat interest

When a property is reserved for possible future acquisition, the owner may apply under certain circumstances through the provisions of Part 11 of the Planning and Development Act 2005, to sell the property at a lesser price than might reasonably be expected had there been no reservation. If approved, compensation representing the difference is paid to the vendor.

At the time of a compensation payment, the WAPC's equity in the property is established on the ratio of compensation paid, as a proportion of the unaffected value of the property. If the WAPC resumes the property at a later date, the purchase consideration is calculated by deducting the WAPC's equity as a percentage of the total valuation at the time of acquisition.

	2016 \$000	2015 \$000
Caveat interest - at cost	23,821	17,940
	23,821	17,940
Reconciliation		
Carrying amount at start of period	17,940	16,563
Additions	5,881	3,680
Disposals	-	(2,299)
Transfers	-	(4)
Carrying amount at end of period	23,821	17,940

30. Impairment of assets

Parcels of land acquired towards the end of financial year were not revalued by the Western Australian Land Information Authority (Valuation Services). These parcels of land were acquired for specific purposes such as primary regional roads, parks & recreation areas and others. As there was a change in the classification of land use, the Commission performed an assessment to determine the fair value of these parcels of land which resulted in an impairment loss of \$33.4 million.

There were no indications of impairment to buildings, infrastructure and equipment assets at 30 June 2016.

Financial statements

	2016 \$000	2015 \$000
31. Payables		
<u>Current</u>		
Accrued expenses	4,928	16,050
	4,928	16,050
32. Other Liabilities		
<u>Current</u>		
Tenants' bonds	256	276
Income in advance ^(a)	17,930	15,635
Other liabilities	10	34
	18,196	15,945

(a) \$13.3m (FY2015:\$13.3m) received from Public Transport Authority and Main Roads for full payment for lands acquired by the WAPC for the purpose of the Southern Suburbs Railway and Perth-Darwin Highway.

33. Equity

The Western Australian Government holds the equity interest in the WAPC on behalf of the community. Equity represents the residual interest in the net assets of the WAPC. The asset revaluation surplus represents that portion of equity resulting from the revaluation of non-current assets.

Contributed equity

Balance at start of period	-	3,997
<u>Contribution by owners</u>		
Capital contribution ^(a)	18,290	5,400
Total contributions by owners	18,290	5,400
<u>Distribution to owners</u>		
Net Assets transferred to Government ^(b)	(8,647)	(15,771)
Total distribution to owners	(8,647)	(15,771)
	9,643	(6,374)
Transfer of debit balance to Accumulated surplus ^(c)	-	6,374
Balance at end of period	9,643	-

(a) Under TI 955 *Contributions by Owners Made to Wholly Owned Public Sector Entities*, capital contributions have been designated as contributions by owners in accordance with AASB Interpretation 1038 *Contributions by Owners Made to Wholly Owned Public Sector Entities*.

(b) TI 955 requires non-reciprocal transfers of net assets to Government to be accounted for as distribution to owners in accordance with AASB Interpretation 1038.

(c) TI 955 requires a debit balance in the Contributed Equity to be transferred to Accumulated surplus in the Statement of Financial Position.

Financial statements

Reserves	2016	2015
	\$000	\$000
<u>Asset Revaluation Surplus:</u>		
Balance at start of period	35,886	33,925
Net revaluation increments/(decrements):		
Rental buildings	1,221	1,961
Regional open space buildings	846	-
Infrastructure	353	-
Balance at end of period	38,306	35,886
Accumulated surplus/(deficit)		
Balance at start of period	804,882	833,798
Transfer of debit balance in Contributed equity	-	(6,374)
Result for the period	28,624	(22,542)
Balance at end of period	833,506	804,882
Total Equity at end of period	881,455	840,768

34. Notes to the Statement of Cash Flows

Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash and cash equivalents (see Note 19 'Cash and Cash Equivalents')	300,498	271,989
Restricted cash and cash equivalents (see Note 20 'Restricted Cash and Cash Equivalents')	834	4,419
	301,332	276,408

Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

Net cost of services	(78,710)	(121,628)
<u>Non cash items:</u>		
Depreciation expense	3,354	3,247
Bad and doubtful debts expense	26	51
Revaluation (increment) / decrement	44,317	101,324
Resources received free of charge	304	436
Land not acquired at fair value (credited to other revenue)	(1,386)	(1,441)
Impairment losses	33,406	4,187
Grants and subsidies	-	9,841
Adjustment for other non-cash items	16	11
Net (gain)/loss on sale of assets	(13,292)	(16,549)
Add : State grants and contributions	-	100
<u>(Increase)/decrease in assets:</u>		
Current receivables	(1,156)	(236)
Current inventory	5	2
Other current assets	20	16
<u>Increase/(decrease) in liabilities:</u>		
Payables	(11,478)	6,758
Other current liabilities	(30)	14
Net GST receipts/(payments)	411	(1,280)
Change in GST in receivables/payables	-	64
Net cash provided by/(used in) operating activities	(24,193)	(15,084)

Financial statements

	2016 \$000	2015 \$000
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35. Remuneration of Members of the Accountable Authority

The number of members of the accountable authority, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

\$	No.	No.
0 - 10,000	1	1
10,001 - 20,000	5	7
20,001 - 30,000	1	-
210,001 - 220,000	1	-
220,001 - 230,000	-	1
	<u>8</u>	<u>9</u>
	\$000	\$000
Base remuneration and superannuation	298	321
Annual leave and long service leave accruals	18	14
Other benefits	2	3
The total remuneration of members of the accountable authority	<u>318</u>	<u>338</u>

The total remuneration includes the superannuation expense incurred by WAPC in respect of members of the accountable authority.

No members of the Accountable Authority are members of the Pension Scheme.

36. Remuneration of Auditor

Remuneration paid or payable to the Auditor General in respect to the audit for the current financial year is as follows:

Auditing the accounts, financial statements and key performance indicators	<u>70</u>	<u>68</u>
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37. Commitments

The commitments below are inclusive of GST where relevant

Non-cancellable operating lease commitments

Commitments in relation to non-cancellable operating lease rentals contracted for at the end of reporting period but not recognised as liabilities in the financial statements are payable as follows:

Within 1 year	88	63
Later than 1 year and not later than 5 years	190	147
	<u>278</u>	<u>210</u>

Lease commitments

Some of the buildings are leased to tenants under long-term operating leases with rentals payable monthly.

Future minimum rental receivables for operating leases at the end of the reporting period but not recognised as assets in the financial statements, are receivable as follows:

Within 1 year	425	347
Later than 1 year and not later than 5 years	802	843
Later than 5 years	786	821
	<u>2,013</u>	<u>2,011</u>

Financial statements

38. Contingent Liabilities and Contingent Assets

In addition to the liabilities included in the financial statements, there are the following contingent liabilities:

Contingent Liabilities and Contingent Assets

Under the operation of the Metropolitan, Peel and Greater Bunbury Region Schemes, reservations exist on properties that may result in compensation being paid to the landholder or the property being acquired for the WAPC's estate. The WAPC, on an annual basis, sets such compensation and acquisition priorities.

In some cases the landholder disputes the compensation/consideration offered by the WAPC, either through arbitration or through Court action. Resolving such disputes form part of the ordinary business of the WAPC and any additional payments that arise are managed within the resources of the Metropolitan Region Improvement Fund and the regional land Acquisition Appropriation.

The WAPC's contingent liabilities as at 30 June 2016 (with respect to the Metropolitan, Peel and Greater Bunbury Region Schemes) is approximately \$108 million. The WAPC is unable to provide individual estimates of each liability as negotiations are in progress. The provision of estimates may compromise the WAPC's legal position.

Contaminated sites

Under the *Contaminated Sites Act 2003*, the WAPC is required to report known and suspected contaminated sites to the Department of Environment Regulation (DER). In accordance with the Act, DER classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as *contaminated - remediation required* or *possibly contaminated - investigation required*, the WAPC may have a liability in respect of investigation or remediation expenses.

During the year, the WAPC reported no new suspected contaminated sites to DER. Previously reported sites have yet to be classified by DER. The WAPC is unable to assess the likely outcome of the classification process, and accordingly, it is not practical to estimate the potential financial effect or to identify the uncertainties relating to the amount or timing of any outflows. Whilst there is no possibility of reimbursement of any future expenses that may be incurred in the remediation of these sites, the WAPC may apply for funding from the Contaminated Sites Management Account to undertake further investigative work or to meet remediation costs that may be required.

39. Supplementary Financial Information

There was no debts written-off by the Commission, no loss through thefts, defaults and other causes and no gift of public property provided by the Commission.

40. Services Provided Free of Charge

During the period no services were provided to other agencies free of charge for functions outside the normal operations of the WAPC.

41. Events Occurring after the end of the Reporting Period

No information has become apparent after the end of the reporting period which would materially affect the financial statements.

42. Related Bodies

The WAPC does not have any related bodies.

43. Affiliated Bodies

The WAPC does not have any affiliated bodies.

Financial statements

44. Explanatory Statement

All variances between estimates (original budget) and actual results for 2016, and between the actual results for 2016 and 2015 are shown below. Narratives are provided for key variations selected from observed major variances, which are generally greater than:

- (a) 5% and \$1.1 million for the Statements of Comprehensive Income and Cash Flows; and
 (b) 5% and \$17.5 million for the Statement of Financial Position.

	Variance	Estimate	Actual	Actual	Variance	Variance
	Note	2016	2016	2015	between	between
		\$000	\$000	\$000	estimate	actual
					and actual	results for
					\$000	2016 and
						2015
						\$000
Statement of Comprehensive Income						
Expenses						
Supplies and services	1, A	41,645	36,273	43,231	(5,372)	(6,958)
Depreciation expense		3,600	3,354	3,247	(246)	107
Bad and doubtful debts		10	26	51	16	(25)
Committee/board fees		265	487	382	222	105
Grants and subsidies	2, B	4,127	8,566	11,657	4,439	(3,091)
Revaluation decrement	3, C	-	44,317	101,324	44,317	(57,007)
Compensation payment	4, D	824	2,626	1,456	1,802	1,170
Other expenses	5, E	2,803	35,264	6,120	32,461	29,143
Total cost of services		53,274	130,913	167,468	77,639	(36,556)
Income						
Revenue						
Rental revenue		6,790	6,337	6,404	(453)	(67)
User charges and fees	6, F	15,571	12,818	14,511	(2,753)	(1,693)
Interest revenue	7	4,200	6,453	5,735	2,253	718
Other revenue	8, G	1,690	13,303	2,641	11,613	10,662
Total Revenue		28,251	38,911	29,291	10,660	9,620
Gains						
Gain on disposal of non-current assets	9, H	5,000	13,292	16,549	8,292	(3,257)
Total Gains		5,000	13,292	16,549	8,292	(3,257)
Total income other than income from State Government		33,251	52,203	45,840	18,952	6,363
NET COST OF SERVICES		20,023	78,710	121,628	58,687	(42,919)
Income from State Government						
State grants and contributions		-	-	100	-	(100)
Service appropriation	I	105,875	107,030	98,550	1,155	8,480
Services received free of charge		-	304	436	304	(132)
Total income from State Government		105,875	107,334	99,086	1,459	8,248
SURPLUS/(DEFICIT) FOR THE PERIOD		85,852	28,624	(22,542)	(57,228)	51,167
OTHER COMPREHENSIVE INCOME						
Items not reclassified subsequently to profit or loss						
Changes in asset revaluation surplus		-	2,420	1,961	2,420	459
Total other comprehensive income		-	2,420	1,961	2,420	459
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		85,852	31,044	(20,581)	(54,808)	51,626

Financial statements

Major Estimate and Actual (2016) Variance Narratives

- 1 Supplies and services were lower than estimates by \$5.4m (13%) due to underspend in the Service Delivery Agreement expenditure.
- 2 Grant and subsidies exceeded estimates by \$4.4m (108%) due to one-off grant payment for the Lloyd Street Underpass with the Midland Health Campus project which had not been budgeted for. Expenditure was approved at the 2015-16 Mid Year Review.
- 3 Recent revaluation of land resulted in a decrement. These movements reflect the decrease in property values due to changes in the classification of land to highly restricted use land.
- 4 Compensation payment exceeded the estimates by \$1.8m (219%) due to payments awarded for several compensation cases that were not budgeted for. The Commission has a number of compensation cases that are awaiting arbitration settlements and these outcomes can vary considerably.
- 5 Other expenses exceeded estimates by \$32.5m (1158%) due to land impairment losses not budgeted for. Land acquired and not revalued by VGO is impaired due to the highly restricted use land.
- 6 User charges and fees were lower than estimates by 2.7m (18%) due to slowdown in the economic and property activities.
- 7 Interest revenue exceeded estimates by \$2.2m (54%) due to higher cash balances in the bank during the year.
- 8 Other revenue exceeded estimates by \$11.6m (687%) as the budget did not include the land acquired for nil cost and capitalised at fair value (\$1.4m), reimbursement of part of acquisition expenditure of land in Neerabup by Main Roads (\$4.1m) and the adjustment related to the difference between the actual cost of services provided by the Department of Planning (DoP) and the total amount chargeable to the Commission in 2014-15 under the Service Delivery Agreement (\$6.5m).
- 9 Gain on disposal of non-current assets exceeded estimates by \$8.3m (166%) mainly due to sale of land to Landcorp that was not budgeted for. This was approved at the 2015-16 Mid Year Review.

Major Actual (2016) and Actual (2015) Variance Narratives

- A Supplies and services decreased by \$6.9m (16%) mainly due to the \$6.5m adjustment related to the difference between the actual cost of services provided by the Department of Planning (DoP) and the total amount chargeable to the Commission in 2014-15 under the Service Delivery Agreement.
- B Grants and subsidies decreased by \$3.1m (27%) mainly due to one-off grant payment for Lowlands Project in 2015 (\$9.8m) and one-off grant payment for the Lloyd Street Underpass with the Midland Health Campus project (\$4.5m) and the Strategic Assessment of Perth and Peel Regions (\$1.8m) in 2016.
- C Revaluation decrement decreased by \$57.0m (56%) mainly due to the majority of the land portfolio being classified as highly restricted use land (not at market value). The decrement is due to the newly acquired land where changes in the classification of land use resulted in a change of valuation methodology from market value to current use.
- D Compensation payment increased by \$1.2m (80%) due to payments awarded for several compensation cases. The Commission has a number of compensation cases that are awaiting arbitration settlements and these outcomes can vary considerably between reporting periods.
- E Other expenses increased by \$29.1m (476%) mainly due to impairment losses on land not revalued by VGO - \$33.4m for FY2016 as compared to \$4.2m for FY2015.
- F User charges and fees decreased by \$1.7m (12%) due to slowdown in the economic and property activities.
- G Other revenue increased by \$10.7m (404%) due to reimbursement of part of acquisition expenditure of land in Neerabup by Main Roads (\$4.1m) and the adjustment related to the difference between the actual cost of services provided by the DoP and the total amount chargeable to the Commission in 2014-15 under the Service Delivery Agreement (\$6.5m).

Financial statements

- H Gain on disposal of non-current assets decreased by \$3.2m (20%) due to higher carrying amount for the land disposed of despite a higher proceeds received.
- I Service appropriation increased by \$8.5m (9%) due to additional MRIT collected of \$5.1m, appropriation provided by the Treasury for the Strategic Assessment of Perth and Peel Regions project (\$1.8m) and regional land compensation payment (\$1.4m).

Statement of Financial Position	Variance Note	Estimate 2016 \$000	Actual 2016 \$000	Actual 2015 \$000	Variance between estimate and actual	Variance between actual results for 2016 and 2015
					\$000	\$000
ASSETS						
Current Assets						
Cash and cash equivalents		310,900	300,498	271,989	(10,402)	28,509
Restricted cash and cash equivalents		3,686	834	4,419	(2,852)	(3,585)
Receivables		2,603	4,885	5,498	2,282	(613)
Inventories		9	2	7	(7)	(5)
Other current assets	10, J	516	47,855	24,961	47,339	22,894
Non-current assets classified as held for sale		-	7,105	2,766	7,105	4,339
Total Current Assets		317,714	361,179	309,640	43,465	51,539
Non-Current Assets						
Amounts receivable for services		4,739	4,739	4,359	-	380
Property, plant and equipment	11	729,134	507,508	532,171	(221,626)	(24,663)
Infrastructure		6,898	7,332	8,653	434	(1,321)
Intangible assets	12	-	23,821	17,940	23,821	5,881
Total Non-Current Assets		740,771	543,400	563,123	(197,371)	(19,723)
TOTAL ASSETS		1,058,485	904,579	872,763	(153,906)	31,816
LIABILITIES						
Current Liabilities						
Payables		8,924	4,928	16,050	(3,996)	(11,122)
Other current liabilities		14,903	18,196	15,945	3,293	2,251
Total Current Liabilities		23,827	23,124	31,995	(703)	(8,871)
TOTAL LIABILITIES		23,827	23,124	31,995	(703)	(8,871)
NET ASSETS		1,034,658	881,455	840,768	(153,203)	40,687
EQUITY						
Contributed equity		6,797	9,643	-	2,846	9,643
Reserves		33,926	38,306	35,886	4,380	2,420
Accumulated surplus/(deficit)		993,935	833,506	804,882	(160,429)	28,624
TOTAL EQUITY		1,034,658	881,455	840,768	(153,203)	40,687

Major Estimate and Actual (2016) Variance Narratives

- 10 Other current assets exceeded estimates by \$47.3m (9174%) due to land acquisition which was paid for but not settled at the end of FY2016 and land acquisition where issuance of certificate of title is still pending completion of boundary survey.
- 11 Property, plant and equipment was lower than estimates by \$221.6m (30%) due to revaluation decrement and impairment loss that were not budgeted for.

Financial statements

- 12 Intangible assets exceeded estimates by \$23.8m (Budget: nil) due to transfer of caveat interest from land not budgeted for.

Major Actual (2016) and Actual (2015) Variance Narratives

- J Other current assets increased by \$22.9m (92%) due to land acquisition which was paid for but not settled at the end of FY2016 and land acquisition where issuance of certificate of title is still pending completion of boundary survey.

Statement of Cash Flows	Variance Note	Estimate 2016 \$000	Actual 2016 \$000	Actual 2015 \$000	Variance between estimate and actual \$000	Variance between actual results for 2016 and 2015 \$000
CASH FLOWS FROM STATE GOVERNMENT						
Service appropriation		105,495	106,650	98,170	1,155	8,480
Capital contributions	13, K	5,400	18,290	5,400	12,890	12,890
Equity repayments		-	-	(540)	-	540
Net cash provided by State Government		110,895	124,940	103,030	14,045	21,910
Utilised as follows:						
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Supplies and services	L	(45,953)	(44,046)	(38,790)	1,907	(5,256)
Committee/board fees			-	(226)	-	226
Grants and subsidies	M	(2,817)	(7,617)	(994)	(4,800)	(6,623)
GST payments on purchases	14, N	(3,020)	(6,158)	(3,689)	(3,138)	(2,469)
GST payment to taxation authority		(310)	(124)	(294)	186	170
Other payments		(656)	(3,631)	(1,569)	(2,975)	(2,062)
Receipts						
State and other bodies grants and contributions		-	-	100	-	(100)
Rental received		6,790	6,270	6,290	(520)	(20)
User charges and fees		15,571	12,894	14,484	(2,677)	(1,590)
Interest received		4,200	6,137	5,573	1,937	564
GST receipts on sales	15, O	310	2,854	545	2,544	2,309
GST receipts from taxation authority	P	3,020	3,839	2,158	819	1,681
Other receipts		1,690	5,389	1,328	3,699	4,061
Net cash provided by/(used in) operating activities		(21,175)	(24,193)	(15,084)	(3,018)	(9,109)
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of non-current assets	16, Q	10,000	31,110	16,255	21,110	14,855
Purchase of non-current assets	17, R	(40,305)	(106,933)	(40,116)	(66,628)	(66,817)
Net cash provided by/(used in) investing activities		(30,305)	(75,823)	(23,861)	(45,518)	(51,962)
Net increase/(decrease) in cash and cash equivalents		59,415	24,924	64,085	(34,491)	(39,161)
Cash and cash equivalents at the beginning of period		255,171	276,408	212,323	21,237	64,085
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		314,586	301,332	276,408	(13,254)	24,924

Financial statements

Major Estimate and Actual (2016) Variance Narratives

- 13 Capital contributions exceeded estimates by \$12.9m (239%) due to additional capital appropriation provided by Treasury for regional land acquisitions arising from compensation cases. This was approved at the 2015-16 Mid Year Review.
- 14 GST payments on purchases were higher than estimates by \$3.1m (104%) due to increase in the land acquisition expenditure where GST was included in the price.
- 15 GST receipts on sales exceeded estimates by \$2.5m (821%) due to increase in taxable land sales.
- 16 Proceeds from sale of non-current assets exceeded estimates by \$21.1m (211%) mainly due to sale of land to Landcorp that was not budgeted for. This was approved at the 2015-16 Mid Year Review.
- 17 Purchase of non-current assets exceeded estimates by \$66.6m (165%) due to land acquisition in Alkimos, Neerabup and Eglinton from Landcorp and land acquisition arising from compensation cases in both Peel and Greater Bunbury Regional Schemes (item 13). These acquisitions were approved at the 2015-16 Mid Year Review.

Major Actual (2016) and Actual (2015) Variance Narratives

- K Capital contributions increased by \$12.9m (239%) due to additional capital appropriation provided by Treasury for regional land acquisitions arising from compensation cases. The additional appropriation was approved at the 2015-16 Mid Year Review.
- L Supplies and services increased by \$5.2m (14%) due to \$9.1m in respect of 2014-15 Service Delivery Agreement was paid in FY2016.
- M Grants and subsidies increased by \$6.6m (666%) mainly due to one-off grant payment for the Lloyd Street Underpass with the Midland Health Campus project (\$4.5m) and the Strategic Assessment of Perth and Peel Regions project (\$1.8m).
- N GST payments on purchases increased by \$2.5m (67%) due to increase in the land acquisition expenditure where GST was included in the price.
- O GST receipts on sales increased by \$2.3m (424%) due to increase in taxable land sales.
- P GST receipts from taxation authority increased by \$1.7m (78%) due to increase in the land acquisition expenditure where GST was included in the price.
- Q Proceeds from sale of non-current assets increased by \$14.8m (91%) was mainly due to sale of land to Landcorp. This sale was approved at the 2015-16 Mid Year Review.
- R Purchase of non-current assets increased by \$66.8m (167%) due to land acquisition in Alkimos, Neerabup and Eglinton from Landcorp and land acquisition arising from compensation cases in both Peel and Greater Bunbury Region Schemes (item K). These acquisitions were approved at the 2015-16 Mid Year Review.

Financial statements

45. Financial Instruments

(a) Financial Risk Management Objectives and Policies

Financial instruments held by the WAPC are cash and cash equivalents, receivables and payables. The WAPC has limited exposure to financial risks. The WAPC's overall risk management program focuses on managing the risks identified below.

Credit risk

Credit risk arises when there is the possibility of the WAPC's receivables defaulting on their contractual obligations resulting in financial loss to the WAPC.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at Note 45(c) 'Financial Instruments Disclosures' and Note 21 'Receivables'.

Credit risk associated with the WAPC's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, the WAPC trades only with recognised, creditworthy third parties. The WAPC has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the WAPC's exposure to bad debts is minimal. At the end of the reporting period, there were no significant concentrations of credit risk.

Liquidity risk

Liquidity risk arises when the WAPC is unable to meet its financial obligations as they fall due. The WAPC is exposed to liquidity risk through its trading in the normal course of business. The WAPC has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk.

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the WAPC's income or the value of its holdings of financial instruments. The WAPC does not trade in foreign currency and is not materially exposed to other price risks (for example, equity securities or commodity prices changes). The WAPC's exposure to market risk for changes in interest rates relates primarily to cash and cash equivalents and restricted cash and cash equivalents which are held at variable interest rates. The WAPC have no borrowings. Other than as detailed in the Interest rate sensitivity analysis table at Note 45(c), the WAPC is not exposed to interest rate risk.

(b) Categories of Financial Instruments

In addition to cash, the carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are as follows:

	2016	2015
	\$000	\$000
Financial Assets		
Cash and cash equivalents	300,498	271,989
Restricted cash and cash equivalents	834	4,419
Receivables ^(a)	7,906	7,706
Total Financial Assets	<u>309,238</u>	<u>284,114</u>
Financial liabilities		
Payables	4,928	16,050
Total Financial Liabilities	<u>4,928</u>	<u>16,050</u>

(a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

(c) Financial Instrument DisclosuresCredit risk

The following table disclose the WAPC's maximum exposure to credit risk and the ageing analysis of financial assets. The WAPC's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the WAPC.

The WAPC does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

Aged analysis of financial assets

	Carrying amount \$000	Not past due and not impaired \$000	<u>Past due but not impaired</u>					Impaired financial assets \$000
			Up to 1 month \$000	1-3 months \$000	3 months to 1 year \$000	1-5 years \$000	More than 5 years \$000	
2016								
Cash and cash equivalents	300,498	300,498	-	-	-	-	-	-
Restricted cash and cash equivalents	834	834	-	-	-	-	-	-
Receivables ^(a)	3,167	2,827	86	92	77	85	-	-
Amount receivable for services	4,739	4,739	-	-	-	-	-	-
	309,238	308,898	86	92	77	85	-	-
2015								
Cash and cash equivalents	271,989	271,989	-	-	-	-	-	-
Restricted cash and cash equivalents	4,419	4,419	-	-	-	-	-	-
Receivables ^(a)	3,347	3,018	123	78	101	27	-	-
Amount receivable for services	4,359	4,359	-	-	-	-	-	-
	284,114	283,785	123	78	101	27	-	-

(a) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable).

Liquidity risk and interest rate exposure

The following table details the WAPC's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposures and maturity analysis of financial assets and financial liabilities

	<u>Interest rate exposure</u>					<u>Maturity dates</u>					
	Weighted average effective interest rate %	Carrying amount \$000	Fixed interest rate \$000	Variable interest rate \$000	Non-interest bearing \$000	Nominal amount \$000	Up to 1 month \$000	1-3 months \$000	3 months to 1 year \$000	1-5 years \$000	More than 5 years \$000
2016											
<u>Financial Assets</u>											
Cash and cash equivalents	2.27	300,498	-	300,496	2	300,498	300,498	-	-	-	-
Restricted cash and cash equivalents	2.27	834	-	834	-	834	834	-	-	-	-
Receivables ^(a)	-	3,167	-	-	3,167	3,167	3,167	-	-	-	-
Amount receivable for services	-	4,739	-	-	4,739	4,739	-	-	-	4,739	-
		309,238	-	301,330	7,908	309,238	304,499	-	-	4,739	-
<u>Financial Liabilities</u>											
Payables		4,928	-	-	4,928	4,928	4,928	-	-	-	-
		4,928	-	-	4,928	4,928	4,928	-	-	-	-
(a) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable).											
2015											
<u>Financial Assets</u>											
Cash and cash equivalents	2.70	271,989	-	271,987	2	271,989	271,989	-	-	-	-
Restricted cash and cash equivalents	2.70	4,419	-	4,419	-	4,419	4,419	-	-	-	-
Receivables ^(a)	-	3,347	-	-	3,347	3,347	3,347	-	-	-	-
Amount receivable for services	-	4,359	-	-	4,359	4,359	-	-	-	4,359	-
		284,114	-	276,406	7,708	284,114	279,755	-	-	4,359	-
<u>Financial Liabilities</u>											
Payables		16,050	-	-	16,050	16,050	16,050	-	-	-	-
		16,050	-	-	16,050	16,050	16,050	-	-	-	-
(a) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable).											

Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the WAPC's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	Carrying Amount \$000	-100 basis points		+100 basis points	
		Surplus \$000	Equity \$000	Surplus \$000	Equity \$000
2016					
<u>Financial Assets</u>					
Cash and cash equivalents	300,498	(3,005)	(3,005)	3,005	3,005
Restricted cash and cash equivalents	834	(8)	(8)	8	8
	301,332	(3,013)	(3,013)	3,013	3,013
	Carrying Amount \$000	-100 basis points		+100 basis points	
		Surplus \$000	Equity \$000	Surplus \$000	Equity \$000
2015					
<u>Financial Assets</u>					
Cash and cash equivalents	271,989	(2,720)	(2,720)	2,720	2,720
Restricted cash and cash equivalents	4,419	(44)	(44)	44	44
	276,408	(2,764)	(2,764)	2,764	2,764

Fair values

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

46. Schedule of Income and Expenses by Service

	Statutory Planning		Strategic Planning		Asset Management		Unallocated		Total	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000	2016 \$000	2015 \$000	2016 \$000	2015 \$000	2016 \$000	2015 \$000
COST OF SERVICES										
Expenses										
Supplies and services	14,304	15,469	5,646	4,767	16,323	16,455	-	6,539	36,273	43,231
Depreciation expense	-	-	-	-	3,354	3,247	-	-	3,354	3,247
Bad and doubtful debts	-	-	-	-	26	51	-	-	26	51
Committee/board fees	233	154	127	116	127	111	-	-	487	381
Grants and subsidies	40	-	2,854	835	5,672	10,821	-	-	8,566	11,657
Revaluation decrement	-	-	-	-	44,317	101,324	-	-	44,317	101,324
Compensation payment	-	-	-	-	2,626	1,456	-	-	2,626	1,456
Other expenses	155	203	215	312	34,894	5,606	-	-	35,264	6,120
Total cost of services	14,732	15,827	8,842	6,030	107,339	139,072	-	6,539	130,913	167,468
Income										
Revenue										
Rental revenue	-	-	-	-	6,337	6,404	-	-	6,337	6,404
User fees and charges	11,955	13,488	858	1,023	5	-	-	-	12,818	14,511
Interest revenue	2,151	1,912	2,151	1,912	2,151	1,912	-	-	6,453	5,735
Other revenue	2	12	2	22	6,760	2,607	6,539	-	13,303	2,641
Total Revenue	14,108	15,412	3,011	2,957	15,253	10,922	6,539	-	38,911	29,291
Gains										
Gain on disposal of non-current assets	-	-	-	-	13,292	16,549	-	-	13,292	16,549
Total Gains	-	-	-	-	13,292	16,549	-	-	13,292	16,549
Total income other than income from State Government	14,108	15,412	3,011	2,957	28,545	27,471	6,539	-	52,203	45,840
NET COST OF SERVICES	624	416	5,831	3,073	78,794	111,601	(6,539)	6,539	78,710	121,628

	Statutory Planning		Strategic Planning		Asset Management		Unallocated		Total	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000	2016 \$000	2015 \$000	2016 \$000	2015 \$000	2016 \$000	2015 \$000
INCOME FROM STATE GOVERNMENT										
State grants and contributions	-	-	-	100	-	-	-	-	-	100
Service appropriation	28,457	27,488	19,914	12,040	58,659	59,022	-	-	107,030	98,550
Resources received free of charge	2	145	2	145	300	145	-	-	304	436
Total income from State Government	28,459	27,634	19,916	12,286	58,959	59,167	-	-	107,334	99,086
Surplus/(deficit) for the period	27,835	27,218	14,085	9,213	(19,835)	(52,434)	6,539	(6,539)	28,624	(22,542)

The Schedule of Income and Expenses by Service should be read in conjunction with the accompanying notes.

Certification of Key Performance Indicators

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Western Australian Planning Commission's performance, and fairly represent the performance of the Western Australian Planning Commission for the financial year ended 30 June 2016.



John Deery
Chief Financial Officer
Western Australian Planning
Commission
14 September 2016



Eric Lumsden
Chairman
Western Australian Planning
Commission
14 September 2016

Key Performance Indicators

KEY PERFORMANCE INDICATORS
For the year ended 30 June 2016

WAPC and Government Desired Outcomes and Key Performance Indicators

The WAPC's Mission is to formulate and coordinate land use strategies for Western Australia to facilitate its growth while continuously enhancing its unique quality of life and environment. In this way the WAPC contributes to the Government's goals outlined in the table below.

Government Goal	Desired Outcome	Services
State Building - Major Projects Building strategic infrastructure that will create jobs and underpin Western Australia's long-term economic development.	Land use planning and land use implementation strategies to guide the State's long-term urban settlement and economic	1. Statutory Planning 2. Strategic Planning 3. Asset Management

Why are the indicators considered relevant to the outcomes and services?

The planning community comprises the WAPC's primary client group and consists of a wide range of individuals, companies, agencies and groups involved in the land use planning process. The level of usefulness of the WAPC's activities to this client group directly measures how effective the WAPC is in guiding the State's long term urban settlement and economic development.

The efficiency indicators incorporate the cost of each service and as such gauge the overall efficiency in achieving the desired outcome.

Why they are key indicators of performance?

The indicators chosen directly measure the WAPC's effectiveness and efficiency in producing services and meeting the service objectives.

How can the indicators assist the reader to assess performance?

The effectiveness indicators inform the reader how well the land use planning activities of the WAPC contribute to the development of Land Use Planning and Land Use Implementation Strategies that guide the State's long term urban settlement and economic development. Results can be compared with previous years performance (where available) and targets as published per the Budget Papers. Efficiency indicators gauge the cost of each service based on a measurable unit of quantity. For example, results are presented on a \$cost per decision or per hectare managed basis for easy comprehension.

Outcomes and Key Effectiveness Indicators

WAPC Level Government Desired Outcome: Land use planning and land use implementation strategies to guide the State's long-term urban settlement and economic development.

Effectiveness Indicator: Number of planning applications determined within set statutory parameters

The WAPC seeks to provide sufficient land for housing to accommodate the anticipated future population growth of the State. To this end, the WAPC plays an important role by ensuring sufficient zoned urban land and facilitating orderly land release through structure planning and issuing subdivision approvals throughout the State. The WAPC is partnered with the Department of Planning in this process. The WAPC issued final approvals for 2,206 subdivision applications during 2015-16 (Perth and Peel) to the land development industry.

The WAPC is not the sole determinant of land availability, as, for a number of reasons, not all preliminary approvals (which reflect a bank of developable land from which developers can draw) go through to the final approval stage. These include external factors such as availability of raw materials, interest rates, developer capacity and market conditions. Therefore, the WAPC is only able to respond to applications lodged for preliminary and final approval. These measures are extracted from the Department of Planning's electronic administrative subdivision tracking system and are published in the quarterly bulletin entitled State Lot Activity.

	2013-14 Actual	2014-15 Actual	2015-16 Target	2015-16 Actual	Reasons for Significant Variance
- Metropolitan Perth	2,528	2,680	2,560	2,390	
- Country Western Australia	783	642	640	550	A general slowdown in the local economy arising from the shift from the mining investment phase to a mining operations phase, and a decrease in overseas migration.

Key Performance Indicators

Effectiveness Indicator: Determinations which were processed without a successful appeal

The percentage of determinations made without successful applications for review provides an indicator of the WAPC's effectiveness in the application of the *State Planning Framework*. Effective application of this framework delivers efficient decisions and ensures that new land is adequately serviced. Where a determination is successfully challenged by demonstrating flaws in the application of policy, additional costs may be incurred both by the developer and subsequently by land purchasers. The indicator is the percentage of all subdivision, strata and development determinations made that are not successfully "reviewed" (i.e. upheld) before the State Administrative Tribunal (SAT). The data shows that 3 applications for review before the SAT were upheld in 2015-16, and that 3,640 subdivisions, strata and development applications were determined.

	2013-14 Actual	2014-15 Actual	2015-16 Target	2015-16 Actual
Determinations which were processed without a successful appeal	99%	99%	99%	99%

Effectiveness Indicator: Applications processed within the statutory timeframes

The WAPC determines land use planning applications put to it. This indicator measures the timeframe efficiency of the statutory approval processes employed by the WAPC.

	2013-14 Actual	2014-15 Actual	2015-16 Target	2015-16 Actual
Applications processed within the statutory timeframes	79%	85%	80%	81%

Effectiveness Indicator: Planning decisions - strategic, environment, industry, infrastructure, transport

	2013-14 Actual	2014-15 Actual	2015-16 Target	2015-16 Actual	Reasons for Significant Variance
Planning decisions - strategic, environment, industry, infrastructure, transport	185	220	197	288	Increase in the number of strategic reports referred to the WAPC for decisions.

Effectiveness Indicator: Client satisfaction (via survey)

The WAPC conducts an annual survey of its strategic planning clients seeking their views on the activities of the WAPC in a wide range of strategic planning areas. To determine the effectiveness of strategic planning activities, an external survey is undertaken with the clients of the land use planning system (developers, infrastructure departments, local authorities and other stakeholders). The results of the survey (shown below) measure directly the effectiveness of the WAPC.

Research Solutions, an independent research consultancy, conducted the 2016 survey using a telephone interview. A response rate of 50% (17% in 2015) equal to 301 responses out of a population of 602 strategic planning clients was achieved, with a confidence level of 95% and a sampling error of +/-4.0% was noted for the entire survey. However as each KPI reflects the response of a single question and not all questions were answered by participants, each KPI has a separate response rate and confidence interval and are noted below.

	2013-14 Actual	2014-15 Actual	2015-16 Target	2015-16 Actual
Client satisfaction with strategic planning activities (via survey)	65%	75%	75%	82%

A response rate of 39.1% equal to 235 responses out of a population of 602 strategic planning clients was achieved, with a confidence level of 95% and a sampling error of +/-5.0%.

	2013-14 Actual	2014-15 Actual	2015-16 Target	2015-16 Actual
Client satisfaction with the timeliness of strategic planning activities (via survey)	48%	59%	60%	73%

A response rate of 38.4% equal to 231 responses out of a population of 602 strategic planning clients was achieved, with a confidence level of 95% and a sampling error of +/-5.07%.

Key Performance Indicators

Effectiveness Indicator: Price and timing for acquisition and disposal of land for region schemes

The prices for the acquisition and disposal of land are negotiated with reference to both internal and independent valuation information. This ensures that a fair price is determined for both parties to the transactions. Timing of acquisitions and disposals is important to ensure that land is acquired when needed and that land is disposed of in accordance with a planned program.

	2013-14 Actual	2014-15 Actual	2015-16 Target	2015-16 Actual	Reasons for Significant Variance
Acquisitions - acceptances within approved range	100%	100%	95%	98%	
Disposals - realised at in excess of reserved price	100%	100%	100%	100%	
Acquisitions - approved schedule acquired within period	90%	91%	100%	266%	Additional funding approved in the Mid Year Review to purchase lands from Landcorp for Bush Forever, the Northern Suburbs Railway and Mitchell Freeway extension.
Disposals - approved schedule disposed within period	132%	260%	100%	273%	Additional sales approved in the Mid Year Review to dispose of surplus lands to Landcorp.

Effectiveness Indicator: Occupancy rate and management of rental properties

Wherever possible, the WAPC leases residential and commercial buildings on acquired land until it is utilised for the purpose of its reservation. The WAPC aims to maximise rental income on the basis of high occupancy rates and market rentals.

The Commission is charged with the responsible ownership of the Parks and Reservations under its control. The approved management program achieved and approved management plan activities achieved reflects the total amount spent on management of these properties in comparison to budgeted amounts per the government budgeting process. This KPI reflects the effectiveness of the Commission to manage the properties in line with expected expenditures.

	2013-14 Actual	2014-15 Actual	2015-16 Target	2015-16 Actual	Reasons for Significant Variance
Available days tenanted for residential buildings only	97%	95%	96%	92%	
Approved management program achieved	53%	95%	93%	122%	Extra work was carried out for fire control measures and weed control.
Approved management plan activities achieved	53%	95%	93%	122%	Extra work was carried out for fire control measures and weed control.

Key Efficiency Indicators

The WAPC's measures of efficiency are formulated to measure the cost per planning activity. The overall cost to the State of providing a land use planning service on a per capita basis and as a proportion of the State's economic activity is a macro level indicator that gauges the efficiency of the WAPC.

The WAPC sets in place land use plans and strategies to guide the State's long term urban settlement and economic development. These indicators of performance measure how efficiently the WAPC is conducting land use planning activities on a completion, time and cost basis.

Service 1: Statutory Planning

Service Description: Utilisation of statutory, consultative, legislative, regulatory reform and coordination processes that facilitate the implementation of creative and innovative strategic regional and local plans and policies.

Efficiency Indicator: Average cost per application determined

The WAPC determines land use planning applications put to it. This indicator measures the cost efficiency of the statutory approval processes employed by the WAPC.

The indicator is derived by dividing the full cost of Statutory Planning services by the number of statutory planning decisions made in the financial year. The figures are sourced from the WAPC's financial system and from an internal database which tracks the number of applications received/determined.

Key Performance Indicators

	2013-14 Actual	2014-15 Actual (a)	2015-16 Target	2015-16 Actual
Average cost per application determined	\$3,686	\$4,059	\$4,467	\$4,047

Note (a) : The Commission's key performance indicators are calculated based on the reported total cost of services, less the \$6.5 million unallocated expenses as stated in Note 46.

Service 2: Strategic Planning

Service Description: The development and advancement of planning strategies, policies and information systems that guide the State's long-term urban settlement, industrial and economic development and the management of the environment in such a way that reflects the aspirations of the Western Australian community for a high quality of life.

Efficiency Indicator: Average cost per planning decision - strategic, environment, industry, infrastructure and transport

The WAPC makes decisions on a wide range of strategic land use planning matters. This indicator measures the cost efficiency of the WAPC in coming to its strategic decisions.

The indicator is derived by dividing the full cost of Strategic Planning services by the number of strategic planning decisions made in the financial year. The figures are sourced from the WAPC's financial system and from an internal database which tracks the number of Strategic Planning decisions made.

	2013-14 Actual	2014-15 Actual (a)	2015-16 Target	2015-16 Actual	Reasons for Significant Variance
Average cost per planning decision - strategic, environment, industry, infrastructure and transport	\$50,870	\$27,409	\$43,777	\$30,701	Increase in the number of strategic reports referred to the WAPC for decisions.

Note (a) : The Commission's key performance indicators are calculated based on the reported total cost of services, less the \$6.5 million unallocated expenses as stated in Note 46.

Service 3: Asset Management

Service Description: The acquisition, management and disposal of properties reserved under the Metropolitan, Peel and Greater Bunbury Region Schemes for primary and other regional roads, parks and recreation and regional open space areas, special uses including planning control area and improvement plans and major land development projects.

Efficiency Indicator: Cost of management of land acquired for region schemes

The WAPC holds land with a value in excess of \$475 million (fair value). These lands are held for a variety of purposes, but in the main are for park and recreational use, as well as for road and highway reserves. The cost per hectare of managing these lands is a measure of cost efficiency for this service.

The indicator is derived by dividing the full management costs (excluding revaluation decrements and impairment losses for land) associated with property activities by the number of hectares under management as shown. The figures are sourced from the WAPC's financial system and from an in-house property database system that tracks property holdings and transactions.

	2013-14 Actual	2014-15 Actual (a)	2015-16 Target	2015-16 Actual
Hectares managed:				
- Improvement plans, regional roads and other uses (includes rental properties)	3,389	3,279	3,390	3,616
- Parks and recreation reserves	10,684	10,662	10,550	10,735
Average cost per hectare managed	\$1,722	\$2,407	\$1,921	\$2,064

Note (a) : The Commission's key performance indicators are calculated based on the reported total cost of services, less the \$6.5 million unallocated expenses as stated in Note 46.